

**ONE HUNDRED SECOND LEGISLATURE - FIRST SESSION - 2011**  
**COMMITTEE STATEMENT**  
**LB159**

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**Hearing Date:** Tuesday January 18, 2011  
**Committee On:** Urban Affairs  
**Introducer:** Urban Affairs  
**One Liner:** Authorize bond powers for cities, villages, and counties for nonprofit enterprises

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**  
**Aye:** 7 Senators Ashford, Coash, Cook, Krist, McGill, Schumacher, Smith  
**Nay:**  
**Absent:**  
**Present Not Voting:**

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<b>Proponents:</b>	<b>Representing:</b>
Amanda McGill	Self
Bob Hallstrom	Nebraska Bankers Association
Michael G. Rogers	Baird Holm LLP
Andy Bradly	Nebraska Goodwill Association

<b>Opponents:</b>	<b>Representing:</b>
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<b>Neutral:</b>	<b>Representing:</b>
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**Summary of purpose and/or changes:**

Section 1: amends Neb.Rev.Stat. §13-1101 by adding a definition of non-profit enterprise, expands definition of project by identifying the types of projects that qualify for revenue bond financing, and excludes any portion of a non-profit enterprise project that would be used for sectarian instruction or study or devotional activities or religious worship.

Section 2: amends §13-1101; adds language that allows cities to acquire, develop, lease or finance one or more projects for use as a nonprofit enterprise, including in a blighted area. Also power to finance projects on a "Clean agreement" basis (rather than a "Clearse agreement" basis).

Section 3: amends §13-1104(1) by adding a reference to "Other transaction parties" to existing provisions of law requiring the terms of any bond transaction to be secured by security devices deemed advantageous by the issuing authority.

Section 4: amends §13-1105(4), adding new language regarding public hearing notice requirements as set forth in section 3 of §13-1105 would not apply to projects for manufacturing/industrial or for nonprofit as described in section 1 of the bill, or for refunding bonds authorized in §13-1106

Section 5: amends §13-1109, and grants full authority for the exercise of powers described in §13-1101 to 13-1110, no prior election required. In addition, no proceedings for the issuance of bonds shall be required other than what is required by §13-1101 13-1110, and the provisions of all other laws and charters of any municipality or county. If there are any inconsistencies with the provisions of any other law or of any law otherwise applicable to a municipality or

county, §13-1101 2013 13-1110 are controlling. Subsection 3 states that if any suit, action, or proceeding involving the validity of any bond brought 30 days after the bond has been issued, and that bond states that it has been authorized for this type of financing project, it shall be conclusively deemed to have been authorized for such purpose and is conclusively deemed to be planned, located and carried out in accordance with §13-1101 2013 13-1110. Subsection 4 uses the same language as subsection 3, with respect to validity or enforceability of any agreement entered into by a municipality to provide financing for a project.

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**Explanation of amendments:**

1. Insert the following new section:]
- 2 Sec. 7. Since an emergency exists, this act takes effect
- 3 when passed and approved according to law.
- 4 2. On page 2, line 7, after "charters" insert "and
- 5 entities created by interlocal agreements among cities, villages,
- 6 and counties"; and in line 10 after "organization" insert
- 7 "incorporated or authorized to do business in this state".
- 8 3. On page 13, line 3, after the period insert "No
- 9 municipality, county, or governing body or officer thereof shall
- 10 be subject to the Securities Act of Nebraska with respect to any
- 11 revenue bonds issued under sections 13-1101 to 13-1110."

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Amanda McGill, Chairperson